



LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lt. Governor

KENNETH C. HOLT
Secretary

ELLINGTON CHURCHILL, JR.
Deputy Secretary

January 20, 2016

The Honorable Edward J. Kasemeyer, Chair
Senate Budget and Taxation Committee
3 West Miller Senate Building
11 Bladen Street
Annapolis, MD 21401

The Honorable Joan Carter Conway, Chair
Senate Education, Health and Environmental Affairs Committee
2 West Miller Senate Office Building
11 Bladen Street
Annapolis, MD 21401

The Honorable Maggie McIntosh, Chair
House Appropriations Committee
Room 121
House Office Building
Annapolis, MD 21401

The Honorable Kumar Barve, Chair
House Environment and Transportation Committee
251 House Office Building
6 Bladen Street
Annapolis, MD 21401

Dear Senators and Delegates:

Pursuant to Chapter 228 of the 2014 Laws of Maryland (Attachments A), the Maryland Department of Housing and Community Development (the Department) is submitting this report regarding financing provided under the Department's Fresh Food Financing Initiative. Per the response of the Budget Committees dated October 7, 2014 (Attachment B), information is also being provided regarding the Department's ongoing support, collaboration and coordination with food hubs.



Background

Maryland Department of Housing and Community Development Fresh Food Financing Initiative: Food deserts are generally defined as communities that do not have easy access to healthy foods including fresh fruits and vegetables, typically in the form of a supermarket or grocery store. The Department's past initiatives that respond to this need include participation in the Maryland Fresh Food Retail Task Force which issued recommendations in 2012 (Attachment C), and more recently that passage of House Bill 451 in the Maryland General Assembly (Attachment A), which expands access to financing for small businesses under the Neighborhood BusinessWorks program (Attachment D) to businesses providing fresh food in food deserts.

DHCD participated in the Maryland Fresh Food Retail Task Force in 2011-2012. The Task Force, comprised of more than 45 experts from government, public health, grocery retail, civic and community and economic development organizations, met to explore barriers to barriers to grocery store development in neighborhoods that lack access to nutritious foods. The group identified 10 policy recommendations for change at both the state and local levels. One of those recommendations was that, "The State of Maryland should develop a new or expand an existing flexible business financing program that provides grants and loans to support the development, renovation and expansion of grocery stores and other stores that carry, or would want to carry healthy foods in underserved communities. This program could be leveraged with additional private investment." (See Attachment C). In addition, the Department supported a subsequent report by The Reinvestment Fund to identify specific "low super-market access areas" (LSAs) throughout the State.

The Department responded to that recommendation, by introducing House Bill 451 in the 2014 session of the Maryland General Assembly. House Bill 451 enhanced the Neighborhood Business Development Program ("Neighborhood Business Works"), a small business financing program administered by DHCD, giving the program greater flexibility to provide financing to food-related businesses in designated food deserts. House Bill 451 enhanced the program by expanding the eligible geographic area from Sustainable Communities to include designated food deserts that still would be located within a Priority Funding Area. The Bill also established an Interagency Food Desert Advisory Committee and authorizes the Secretary of Housing and Community development, on the recommendation of the Advisory Committee, to designate Food Desert Areas based on certain criteria.

Maryland Food Hubs: A separate, but complimentary initiative is the creation of Maryland food hubs. The locally created and managed food hubs will work directly with local farmers to meet the market demand for fresh foods. The food hubs will aggregate, process, market and package sustainably produced foods within a food shed of approximately 150-200 miles. Foods hubs are customized to meet the needs of their community, and generally support the local economy. Food hubs provide local farmers and producers with services and infrastructure necessary to advance their economic vitality. In Maryland, the food hubs that are in some stage of consideration or formation are in Baltimore City, Easton, Southern Maryland and Howard County.

In order to maximize the efficacy of public funds which benefit the respective food hubs, the food hubs have and will continue to convene to identify and coordinate on opportunities for collaboration, including: best practices sharing; integration and coordination of activities; and supply chain and purchasing.

Maryland Food Center Authority: The Maryland Food Center Authority started in 1967 as the Greater Baltimore Consolidated Wholesale Food Market Authority (Chapter 145, Acts of 1967). The Authority was formed to establish and run a consolidated food center within the Greater Baltimore Region. The Authority

received its present name in 1979 (Chapter 482, Acts of 1979). A public instrumentality of the State, the Maryland Food Center Authority operates the Maryland Wholesale Food Center (for produce and seafood). The Authority leases space to tenants in the Wholesale Produce and Seafood Markets. The Authority, Food Hubs and the Department will continue to coordinate.

Additional Coordination: The Department has provided financial assistance via the Neighborhood BusinessWorks and Community Legacy programs to the Baltimore City Food Hub. The other food hubs have been made aware that they are eligible to apply for financial assistance if they are located in a locally designated Sustainable Community or Food Desert Area. Further, the Department will participate where possible and invited to the Food Hub quarterly meetings and any other related events. The Department will also invite other state agency partners to participate where relevant in coordination meetings with the Food Hubs; for instance, the Department of Commerce participated in an early planning meeting with the Baltimore City Food Hub.

2015 Fresh Food Financing Initiative Activities

Financing Fresh Food Retail Through the Neighborhood BusinessWorks Program

The Neighborhood BusinessWorks Program has approved an entity to receive a combination of a loan/grant award in the total amount of \$750,000.00, as an intermediary lender under the Maryland Fresh Food Financing Initiative (FFFI). The awardee will be engaged in micro lending to small businesses that are determined to facilitate the delivery of fresh food alternatives to communities which are currently identified as having limited access to healthy food.

Eligible businesses will include:

- Retail businesses, such as grocery stores
- Manufacturing and aggregating entities (regional food hubs)
- Goods and Service related businesses
- Farmers Markets
- Project must be located within a designated Sustainable Community or designated Food Desert

Eligible uses will include:

- Working Capital
- Real estate acquisition/down payment
- Renovations and leasehold improvements
- Machinery/equipment
- Certain other costs associated with opening or expanding a small business or food related enterprise

The intermediary will leverage diverse sources of capital to offer flexible and competitive loan products to small businesses throughout the state. In addition to providing access to capital, the intermediary will offer development services which include:

- Customizable research and data analysis
- Technical assistance (establishing cash flow projections, construction timelines)
- Training Material for healthy food options

The Department anticipates finalizing the award agreement and dispersing funds to the intermediary within the next 60 days.

Maryland Food Hubs

In 2014, the Maryland General Assembly approved two separate grants to support food hubs in Baltimore City and Easton, Maryland. Both grants are being administered by the Maryland Department of Housing and Community Development.

A grant agreement was executed in February 2015 between the Maryland Department of Housing and Community Development and the American Communities Trust for \$750,000 to support the acquisition, design and construction of a food hub facility in Baltimore City. The project is currently in the demolition/site preparation phase. To date, approximately 15 percent of the grant has been drawn down and the Department anticipates approving and additional draw requests for nearly 15 percent of the grant amount in January 2016. It is anticipated that the remaining grant funds will be drawn down in calendar year 2016.

The Baltimore Food Hub has also been awarded a total of \$750,000 in fiscal years 2013 and 2014 through the Historic East Baltimore Community Action Coalition under the Community Legacy and Neighborhood BusinessWorks programs.

A second, \$500,000 grant was awarded to Real Food Productions L3C for the design, construction and capital equipping for a facility to serve as the Eastern Shore Food Hub. During the past year, Real Food Productions L3C became a subsidiary of the Easton Development Corporation. The Easton Development Corporation is currently seeking the required matching funds for the grant and exploring adaptive reuse of a portion of the vacant Black and Decker manufacturing plant in Easton for the food hub. Coordination with Easton Development Corp

Planning/Coordination

The Department has participated in multiple meetings with partners and stakeholders related to food distribution and access in Maryland. A meeting was held with Donald Darnall, Executive Director of the Maryland Food Center Authority in November 2014. The purpose of that meeting was to better understand the role of the Authority and opportunities for collaboration. At the current early stage of development, there is limited opportunity for direct collaboration between the MFCA and the food hubs. While we will continue dialogue, the primary focus of the food hubs in Baltimore and Easton will be in small business incubation providing space for training and commercial kitchens, not in large scale food distribution and supply as is the case with MFCA.

At the request of Baltimore City staff, meetings were held in September and October 2015 at the Department's offices in Baltimore to brief staff in Baltimore City Planning and the Baltimore Development Corporation regarding the Maryland Fresh Food Financing Initiative and resources to support fresh food retail. The City of Baltimore is interested in coordinating and promoting State of Maryland programs that support fresh food retail with local programs and incentives.

Over the past year, in addition to its work on the Baltimore Food Hub, the American Community Trust has been engaged in a wide range of activities in collaboration with other stakeholders in the region including:

- Served as the consultant to Howard County for a year on the Roving Radish initiative--a mobile meal-kit distribution program, focused on providing food access to low-income residents of Howard County.
- Provided advisory services to Maryland Food Bank on its site expansion projects, and is also working with Maryland Food Bank to integrate food distribution at the Baltimore Food Hub site.
- Collaborated to host a food business vendor fair at Lexington Market, with the purpose of connecting regional food entrepreneurs with large buyers including anchor institutions (hospitals, universities), restaurants, supermarkets and suppliers.
- Worked with Humanim and its new social enterprise, City Seeds, to launch School of Food--an ongoing educational series on food business basics. This program is funded by US Economic Development Administration, Annie E. Casey Foundation, and EBDI and represents a major initiative to provide training for small-scale food business owners.
- Launched the Baltimore Food Micro-Enterprise Fund with support from the Goldseker Foundation, providing grants ranging from \$5,000-\$15,000 for food businesses in Baltimore. These loans will have very flexible terms and underwriting criteria and come with significant technical assistance.

Related Initiatives

There are also efforts underway by multiple regional stakeholders to support strategic planning and coordination for the food system. These include:

- Washington Council of Governments is hosting a Value-Chain Coordinator position, with funding support from USDA, Town Creek Foundation, Agua Fund, and Prince Charitable Trusts. The objective of this project is to provide a value chain coordinator in the Metropolitan Washington Region to build and strengthen local food supply chains within/between rural and urban geographies as a means of increasing producer revenues, enhancing farm enterprise viability, securing more food systems- related jobs, and increasing consumer access to healthier foods. While based in Washington, DC, a goal of the position is to serve communities within 100 miles, including Central Maryland, southern Maryland, portions of the Eastern Shore and western Maryland.
- Through a cooperative agreement and seed funding with USDA Rural Development, the Washington Council of Governments will work to increase its capacity to carry out and sustain food value chain development in their region. USDA will benefit Rural Development (RD) by increasing the opportunities to maximize its hard infrastructure investments in local and regional food systems.
- In September 2015, the Southern Maryland Agricultural Development Commission released its report, titled, Existing and Emerging Food Hubs in Maryland, 2015 (see attachment F). The report provides an overview of existing food hubs in Maryland, as well as smaller farm to table operations. In its report, the Commission seeks to recognize local efforts, inform elected officials of efforts to improve access to locally grown food and help identify areas of need.
- The Mid-Shore Food System Coalition convened a planning session at Chesapeake College with 125 participants representing the five mid-shore counties to consider the future of the food system on Maryland's Mid-Shore. As a follow up to the planning session, The Chesapeake College Center for Leadership in Environmental Education has been investigating the potential to establish a fully functioning food council for the Mid-Shore. The food council, comprised of multiple stakeholders,

would study the local food system and develop policy recommendations to benefit the local economy and participants in the food system.

- The Chesapeake Foodshed Network is a coalition of organizations, agencies and individuals across the Chesapeake region engaged in building a stronger and more resilient food system. Recent activities include hosting webinars on topics including: food production and consumption in Maryland, food waste recovery, and enhancing food security in the northeast.

- On Wednesday, January 13, the Chesapeake Foodshed Network is convening the Chesapeake Region Food System Summit at the University of Maryland College Park. The Summit will be an opportunity for stakeholders from across the 6 state region that comprises the Chesapeake Bay watershed to learn about work throughout the region and proposed effort to create a regional vision. The Summit is being convened with support from local and national foundations, including the Town Creek Foundation.

If you have any questions, please do not hesitate to contact me or Assistant Secretary Carol Gilbert, at 301-429-7493 or by e-mail at gilbert@maryland.gov.

Sincerely,



Kenneth C. Holt
Secretary

Attachments:

- A. Chapter 228 of the 2014 Laws of Maryland (House Bill 451)
- B. Budget Committees response to 2014 report dated October 7, 2014
- C. Maryland Fresh Food Retail Task Force Report
- D. Neighborhood BusinessWorks program fact sheet
- E. Maryland Fresh Food Financing Initiative fact sheet
- F. Existing and Emerging Food Hubs in Maryland, Southern Maryland Agricultural Development Commission

cc: The Honorable Thomas V. Mike Miller, Jr, President, Maryland Senate
The Honorable Michael E. Busch, Speaker, Maryland House of Delegates
Terry A. Garrity, Department of Budget & Management
Carol Gilbert, Department of Housing and Community Development

KCH/jp

DRAFT

October 7, 2014

The Honorable T. Eloise Foster
Secretary
Department of Budget and Management

Ms. Cleo P. Braver,
Founder and Board Chair
Real Food Productions L3C

The Honorable Clarence J. Snuggs
Acting Secretary
Department of Housing and Community Development

Mr. Gregory L. Heller
Chief Executive Officer
American Communities Trust

The Honorable Earl F. Hance
Secretary
Maryland Department of Agriculture

Re: Item 2015-289-1 and Miscellaneous Grants for the Baltimore and Eastern Shore Food Hubs

Dear Secretary Foster, Secretary Snuggs, Secretary Hance, Ms. Braver, and Mr. Heller:

Language in the Maryland Consolidated Capital Bond Loan of 2014 (Chapter 464) and the operating budget bill (Chapter 462 of 2014) restricted funding provided for three distinct food hub projects (the Baltimore Food Hub, the Eastern Shore Food Hub, and the Regional Food Hub in Southern Maryland) until reports were submitted on how the food hubs were coordinating with the other food hub projects in Maryland, the Department of Housing and Community Development (DHCD) food desert initiative, and the Maryland Food Center Authority (MFCA). The reports were to be submitted by the food hubs, in coordination with DHCD. While the submitted report nominally provided the information requested by indicating the meetings had been held by representatives of the food hubs and others, little detail about the collaboration was provided.

The budget committees understand that at this early stage of coordination, limited information was likely available about the collaboration prior to the submission of the report. As such, the budget committees authorize the release of \$750,000 of general obligation (GO) bond funding for the Baltimore Food Hub, \$500,000 of GO bond funding for the Eastern Shore Food Hub, and \$100,000 of special funds restricted in the Tobacco Transition Program of the Maryland Department of Agriculture.

However, the budget committees continue to be interested in the extent of coordination between these new food hub projects and the food desert initiative within DHCD, as well as how the organizations will take advantage of experience in MFCA related to food distribution. Therefore, the budget committees expect that if these new initiatives and projects continue to

October 7, 2014

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receive funding from the State through the capital or operating budget in fiscal 2016, additional information will be provided on the coordination including:

- details on the types of best practices that will be shared;
- the extent of and type of activity coordination;
- the type of and extent of supply chain and purchasing coordination;
- plans to ensure that efforts related to food hub development in Maryland is viewed regionally; and
- any other collaboration or coordination.

Sincerely,

Edward J. Kasemeyer, Chairman
Senate Budget and Taxation Committee

Norman H. Conway, Chairman
House Appropriations Committee

EJK:NHC/TDZ/mrm

cc: President Thomas V. Mike Miller, Jr.
Speaker Michael E. Busch
Senator Nathaniel J. McFadden
Senator James E. DeGrange, Sr.
Delegate James E. Proctor, Jr.
Delegate Adrienne A. W. Jones
Mr. Karl S. Aro
Mr. Warren G. Deschenaux

Chapter 228

(House Bill 451)

AN ACT concerning

Neighborhood Business Development Program – Financial Assistance for Food ~~Desert Areas~~ Deserts

FOR the purpose of altering the ~~purpose~~ purposes of the Neighborhood Business Development Program to include ~~help creating~~ helping to create certain small businesses and other food-related enterprises in food deserts; requiring the Business Development Program in the Neighborhood Business Development Program to provide financial assistance to projects in food deserts; authorizing certain entities to apply for financial assistance for a project in a food desert under certain circumstances; establishing the Interagency Food Desert Advisory Committee; establishing the membership, chair, staffing, and duties of the Advisory Committee; authorizing the Secretary of Housing and Community Development, on the recommendation of the Advisory Committee, to designate an area as a food desert after considering certain factors; requiring the Department of Housing and Community Development to adopt certain regulations; authorizing a certain entity to originate and administer financial assistance to a food desert project under certain circumstances; authorizing the Department to provide financial assistance in a certain manner when an approved entity originates or provides financial assistance for a food desert project under certain circumstances; requiring the Department to submit a certain report to certain committees of the General Assembly on or before a certain date each year; defining a certain term; and generally relating to the Neighborhood Business Development Program and food deserts.

BY repealing and reenacting, with amendments,
Article – Housing and Community Development
Section 6-301, 6-303, 6-304, 6-305, and 6-308
Annotated Code of Maryland
(2006 Volume and 2013 Supplement)

BY adding to
Article – Housing and Community Development
Section 6-308.2, 6-308.3, and 6-308.4
Annotated Code of Maryland
(2006 Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Housing and Community Development

6–301.

(a) In this subtitle the following words have the meanings indicated.

(b) (1) “Development costs” means the costs incurred to construct or rehabilitate a neighborhood business development project.

(2) “Development costs” includes the costs of:

- (i) necessary studies, surveys, plans, and specifications;
- (ii) architectural, engineering, or other special services, including flood plain studies, environmental audits, and critical area or wetland assessments;
- (iii) land and improvements;
- (iv) site preparation;
- (v) construction, reconstruction, and rehabilitation;
- (vi) machinery, equipment, and furnishings;
- (vii) essential start–up operating costs, including working capital and initial occupancy expenses;
- (viii) indemnity and surety bonds and premiums on insurance;
- (ix) temporary relocation expenses; and
- (x) other necessary fees.

(C) “FOOD DESERT” MEANS THE PART OF A PRIORITY FUNDING AREA DESIGNATED BY THE SECRETARY UNDER § 6–308(C) OF THIS SUBTITLE.

[(c)] (D) “Fund” means the Neighborhood Business Development Fund.

[(d)] (E) “Microenterprise” means a business with not more than five employees that:

- (1) requires not more than \$35,000 in total start–up capital or financial assistance; and
- (2) does not have access to the traditional commercial banking sector.

[(e)] (F) “Program” means the Neighborhood Business Development Program.

[(f)] (G) (1) “Project” means a neighborhood business development project that receives financial assistance from the Fund.

(2) “Project” includes a microenterprise project that receives financial assistance from the Fund.

[(g)] (H) “Small business” means a business that qualifies as a small business under § 6–302 of this subtitle.

[(h)] (I) “Sustainable community” means the part of a priority funding area that:

(1) as determined by the Smart Growth Subcabinet, satisfies the requirements of § 6–205 of this title;

(2) has been designated as a BRAC Revitalization and Incentive Zone under Title 5, Subtitle 13 of the Economic Development Article; or

(3) has been designated a transit-oriented development under § 7–101 of the Transportation Article.

6–303.

(a) There is a Neighborhood Business Development Program.

(b) The purposes of the Program **[are,] ARE:**

(1) in sustainable communities, to:

[(1)] (I) help develop, redevelop, or expand small businesses and microenterprises;

[(2)] (II) stimulate investment by the private sector;

[(3)] (III) invest in revitalization projects for small businesses and microenterprises; and

[(4)] (IV) stimulate political subdivisions to participate in developing and expanding small businesses and microenterprises; **AND**

(2) IN FOOD DESERTS, TO HELP CREATE SMALL BUSINESSES AND OTHER FOOD-RELATED ENTERPRISES THAT PROVIDE FRESH FRUITS, VEGETABLES, AND OTHER HEALTHY FOODS TO RESIDENTS IN THE FOOD DESERT.

(c) The Program includes:

(1) the Business Development Program; and

(2) the Capital Access Program.

6-304.

(a) There is a Business Development Program in the Neighborhood Business Development Program.

(b) The Business Development Program shall provide financial assistance to projects in sustainable communities **AND FOOD DESERTS**.

6-305.

(a) (1) A small business, nonprofit organization, or microenterprise may apply for financial assistance under the Business Development Program.

(2) The Department shall review each application.

(b) An applicant may qualify for financial assistance for a project in a sustainable community **OR FOOD DESERT** if the application demonstrates that:

(1) except for a microenterprise project, the project has significant commitments for financing from other private and nonstate public sources that are sufficient to complete the project with the money from the Fund;

(2) the financial assistance from the Fund is the minimum amount necessary to make the project financially feasible;

(3) the project is ready to proceed when it receives financial assistance from the Business Development Program; **[and]**

(4) the political subdivision has adopted a resolution, or its authorized designee has delivered a letter to the Business Development Program, that expresses support for the project; **AND**

(5) ANY FOOD DESERT PROJECT INCLUDES A PLAN TO SEEK OUT SOURCES OF MARYLAND-GROWN PRODUCE AND MARYLAND PRODUCED FOODS.

(c) Financial assistance under the Business Development Program may be provided to a small business, nonprofit organization, or microenterprise as:

- (1) a grant;
- (2) a loan;
- (3) a reduction in the principal obligation of or interest rate on a loan or portion of a loan;
- (4) a prepayment of interest on a subordinate or superior loan or portion of a loan;
- (5) an assurance;
- (6) a guarantee; or
- (7) any other form of credit enhancement.

6-308.

(a) The Department shall:

- (1) administer the Business Development Program;
- (2) adopt regulations to carry out the Business Development Program, **INCLUDING A PROCESS TO DESIGNATE AN AREA AS A FOOD DESERT UNDER SUBSECTION (C) OF THIS SECTION;**
- (3) establish, for each category of financing described in § 6-306(c) of this subtitle, minimum percentages or amounts of private and nonstate public financing that an applicant for the Business Development Program must secure; and
- (4) make a reasonable, good faith effort to make 25% of the Business Development Program loans and grants to microenterprises.

(b) The Department may:

- (1) sell, assign, or otherwise dispose of a Program loan or revenue from a loan on terms and conditions acceptable to the Department, including selling loans at a discount, if the maximum sale proceeds in any fiscal year do not exceed \$4,000,000; and
- (2) apply the proceeds received from a sale, assignment, or other disposition under item (1) of this subsection to the Fund.

(C) THE SECRETARY, ON THE RECOMMENDATION OF THE INTERAGENCY FOOD DESERT ADVISORY COMMITTEE ESTABLISHED UNDER § 6-308.2 OF THIS SUBTITLE, MAY DESIGNATE AN AREA AS A FOOD DESERT AFTER CONSIDERING THE FOLLOWING FACTORS:

- (1) AVAILABILITY OF FRESH FRUIT, VEGETABLES, AND OTHER HEALTHY FOODS IN THE AREA;
- (2) INCOME LEVELS OF LOCAL RESIDENTS;
- (3) TRANSPORTATION NEEDS OF LOCAL RESIDENTS AND THE AVAILABILITY OF PUBLIC TRANSPORTATION;
- (4) COMMENTS FROM LOCAL GOVERNMENTS; AND
- (5) ANY OTHER FACTORS THAT THE DEPARTMENT CONSIDERS RELEVANT.

6-308.2.

- (A) THERE IS AN INTERAGENCY FOOD DESERT ADVISORY COMMITTEE.
- (B) THE COMMITTEE CONSISTS OF THE FOLLOWING SEVEN MEMBERS:
 - (1) THE SECRETARY, OR THE SECRETARY'S DESIGNEE;
 - (2) THE SECRETARY OF AGRICULTURE, OR THE SECRETARY'S DESIGNEE;
 - (3) THE SECRETARY OF PLANNING, OR THE SECRETARY'S DESIGNEE;
 - (4) THE SECRETARY OF HEALTH AND MENTAL HYGIENE, OR THE SECRETARY'S DESIGNEE;
 - (5) THE SECRETARY OF HUMAN RESOURCES, OR THE SECRETARY'S DESIGNEE;
 - (6) THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT, OR THE SECRETARY'S DESIGNEE; AND
 - (7) THE SECRETARY OF EDUCATION, OR THE SECRETARY'S DESIGNEE.

(C) THE SECRETARY OR THE SECRETARY'S DESIGNEE IS THE CHAIR OF THE COMMITTEE.

(D) THE DEPARTMENT SHALL PROVIDE STAFF FOR THE COMMITTEE.

(E) THE COMMITTEE SHALL:

(1) ADVISE AND MAKE RECOMMENDATIONS TO THE DEPARTMENT ON THE DEVELOPMENT AND ADOPTION OF REGULATIONS RELATED TO FOOD DESERTS PROJECTS;

(2) MAKE RECOMMENDATIONS TO THE SECRETARY ON APPLICATIONS FOR DESIGNATING AN AREA AS A FOOD DESERT; AND

(3) MAKE RECOMMENDATIONS FOR INTERAGENCY COORDINATION TO REDUCE THE NUMBER OF FOOD DESERTS AND PROMOTE HEALTHY FOOD ACCESS FOR MARYLAND NEIGHBORHOODS.

6-308.3.

(A) IF THE DEPARTMENT DETERMINES THAT AN ENTITY IS CAPABLE OF ADMINISTERING A FOOD DESERT PROJECT, THE ENTITY MAY ORIGINATE AND ADMINISTER FINANCIAL ASSISTANCE TO A FOOD DESERT PROJECT IN ACCORDANCE WITH STANDARDS THE DEPARTMENT ADOPTS BY REGULATION.

(B) THE DEPARTMENT MAY:

(1) PAY AN APPROVED ENTITY A REASONABLE ORIGINATION, APPLICATION, AND PROCESSING FEE FOR EACH FOOD DESERT PROJECT THAT IS ORIGINATED BY THE APPROVED ENTITY;

(2) DIRECTLY FUND THE FINANCIAL ASSISTANCE FOR A FOOD DESERT PROJECT THAT IS ORIGINATED BY AN APPROVED ENTITY; AND

(3) PROVIDE FINANCIAL ASSISTANCE TO AN APPROVED ENTITY FOR THE PURPOSE OF THE APPROVED ENTITY PROVIDING FINANCIAL ASSISTANCE FOR A FOOD DESERT PROJECT IN ACCORDANCE WITH THIS SUBTITLE.

6-308.4.

(A) ON OR BEFORE DECEMBER 1 OF EACH YEAR, THE DEPARTMENT SHALL SUBMIT A REPORT ON THE PROGRAM, IN ACCORDANCE WITH § 2-1246

OF THE STATE GOVERNMENT ARTICLE, TO THE SENATE BUDGET AND TAXATION COMMITTEE, THE SENATE EDUCATION, HEALTH, AND ENVIRONMENTAL AFFAIRS COMMITTEE, THE HOUSE APPROPRIATIONS COMMITTEE, AND THE HOUSE ENVIRONMENTAL MATTERS COMMITTEE.

(B) THE REPORT UNDER SUBSECTION (A) OF THIS SECTION SHALL INCLUDE:

(1) THE NAMES OF APPROVED ENTITIES AWARDED FINANCIAL ASSISTANCE FOR FOOD DESERT PROJECTS;

(2) THE TYPE OF ACTIVITIES IN WHICH THE APPROVED ENTITIES ARE ENGAGED;

(3) THE LOCATION OF THE APPROVED ENTITY'S OPERATION;

(4) THE AMOUNT OF EACH GRANT AWARD;

(5) THE NUMBER OF EMPLOYEES EMPLOYED BY THE APPROVED ENTITY;

(6) THE BASIS FOR APPROVING THE GRANT;

(7) AN EXPLANATION OF HOW THE APPROVED ENTITY'S OPERATION ADVANCES THE POLICY GOAL OF REDUCING FOOD DESERTS; AND

(8) IF AVAILABLE, HOW LONG THE GRANTEE'S OPERATION STAYED IN BUSINESS FOLLOWING THE AWARDING OF THE GRANT.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

Approved by the Governor, April 14, 2014.



Existing and Emerging Food Hubs in Maryland 2015

Background

The Southern Maryland Agricultural Development Commission (SMADC) prepared this report as a summary report on existing and emerging Food Hubs across Maryland. The report recognizes local efforts, lets elected officials know of serious efforts being undertaken in the state to help consumers gain better access to locally grown food, helps identify areas of need, and provides a blueprint for the state. SMADC undertook this report through a transparent process, inviting all willing hubs to participate.

In Maryland, demand is on the rise for local farm fresh food. Food Hubs are also on the rise, and can fill a gap in food aggregation and distribution. The USDA working definition of a food hub is:

“A centrally located facility with a business management structure facilitating the aggregation, storage, processing, distribution, and/or marketing of locally/regionally produced food products.” “By actively coordinating these activities along the value chain, food hubs are providing wider access to institutional and retail markets for small to mid-sized producers, and increasing access of fresh healthy food for consumers, including underserved areas and food deserts.”

This report uses the USDA definition above, and information gathered by the National Food Network (NGFN) Food Hub Collaboration which further defines the work of food hubs.

“A regional food hub is a business or organization that actively manages the aggregation, distribution, and marketing of source-identified products primarily from local and regional producers for the purpose of strengthening producer capacity and their access to wholesale, retail, and institutional markets. Source identified means that, to some extent, the stories of the food, the producer, the production methods—or simply the location—stay with the product. One distinguishing characteristic of a food hub compared with a conventional produce wholesaler is intent. By design, many food hubs have a mission to strengthen local producers’ capacity and increase their access to markets.” – National Good Food Network (NGFN) Food Hub Collaboration

SMADC compiled information on the existing and emerging food hubs in Maryland based on internet research and staff outreach. The list represents the food hubs and information that we are aware of to date.

A copy of the 2014 Maryland Food Hubs report can be found on SMADC's website at, www.smadc.com under Food/Farms/Nutrition, Maryland Food Hubs. SMADC is also working with the Wallace Center at Winrock International on an expanded Maryland Food Hub Report, to be released in the spring of 2016.

Existing Food Hubs in Maryland

The following food hubs are operating in Maryland and are recognized by both the [National Good Food Network](#) and [USDA](#) .

1. [Friends and Farms, LLC](#) Columbia, Maryland
**Source of information: generated from the website in 2015 (www.friendsandfarms.com) and directly from Philip Gottwals, Friends and Farms, LLC in 2014.*
 - a. Hub Model: Privately Held Business
 - b. Years in Operation: 3
 - c. Customer Supply/Scale: Customized regional food basket offered to direct customers and retail on a weekly basis with drop off and pick up locations around the Baltimore Metro area. Suppliers are located in MD, VA, WV, and PA. The business aggregates food from the Loveville Produce Auction, Maryland Food Center Authority, and many independent growers and processors. Serving approximately 650 families.
 - d. Status:
 - ✓ USDA recognized
 - ✓ National Good Food Network recognized

2. [Garrett Growers Cooperative, Inc.](#) Oakland, Maryland
**Source of information: generated from the website (www.garrettgrowers.com) and directly from Cheryl DeBerry, Garrett Growers Cooperative, Inc. in 2015.*
 - a. Hub model: Cooperative
 - b. Years in operation: 4
 - c. Customer supply/scale: Garrett Grower's sells to institutions (2%), wholesale (3%), caterers (5%), restaurants (50%), retail (40%). They have a CSA and mostly sell in the Deep Creek lake area. They buy direct from farms in Maryland and from a wholesaler/distributor/auction as needed (rarely).
 - d. Status:
 - ✓ USDA recognized
 - ✓ National Good Food Network recognized

- b. Mission/goals: "The goal of our cooperative is to provide service at cost to members."
- h. Additional information/future plans: Annual gross sales (range): \$30,000-\$70,000. Currently works with Garrett County Economic Development, University of Maryland Extension in Garrett County, and with the statewide food hub meetings.

3. **Hometown Harvest** Frederick, Maryland

**Source of information: generated from the website in 2015(www.hometownharvest.com) and directly from Tony Brusco, Hometown Harvest in 2014.*

- a. Hub model: Privately held business
- b. Years in operation: 6
- c. Customer supply/scale: Suppliers are located in MD, VA, and PA. Customers are located in MD, DC, and VA. Hometown Harvest offers home delivery service of local, organic food and non-certified organic food. Serves about 2,000 customers.
- d. Status:
 - ✓ USDA recognized
 - ✓ National Good Food Network recognized
- e. Additional information/ future plans: The business is farmer owned and operated. "We are working to move the business on to our farm. Once completed, Hometown Harvest will have an on-site market and commercial kitchen at the farm. The kitchen will give us the ability to add additional value added items to our menu. " – Tony Brusco, Owner of Hometown Harvest

4. **Maryland Farm to Table Produce** Baltimore, Maryland

**2015 update: no longer in operation.*

5. **Washington's Green Grocer** Capital Heights, Maryland

**Source of information: generated from the website (www.washingtonsgreengrocer.com) in 2015.*

- a. Hub model: Privately Held Business
- b. Years in operation: 21
- c. Customer supply/scale: Coordinates the sale and marketing of farm sourced food, aggregates food from farmers along the mid-Atlantic. Recipients are direct consumers in the Washington D.C. area, supply is also donated within the D.C. area, distributes directly to consumers in the Washington D.C. area. Suppliers are located in Washington D.C., MD, VA, PA, NY.
- d. Status:
 - ✓ USDA recognized
 - ✓ National Good Food Network recognized

Emerging Food Hubs in Maryland

1. **Baltimore Food Hub** Baltimore, Maryland

**Source of information: generated from the website in 2015*

(<http://www.baltimorefoodhub.com>) and directly from Greg Heller, American Communities Trust in 2014.

- a. Hub model: TBD
- b. Years in operation: Less than 1 year
- c. Customer Supply/Scale: Serving the Baltimore metro area. Commercial kitchen space for rent by the hour to culinary entrepreneurs and food truck operators, the incubator also provides business technical assistance, access to affordable start-up capital, and contract opportunities to help community-based food entrepreneurs legitimize and grow their businesses. Office space for food businesses and nonprofits is also offered. As entrepreneurs create new businesses, job training, urban farming, farm stand/garden center may be available.
- d. Status:
 - ✓ Operating
- e. Mission/goals: "It is the goal for the Food Hub to deliver a set of programs and services focused on investing in and empowering the local food economy through small business development for culinary entrepreneurs. This work will include small business technical assistance and building relationships between major food buyers, suppliers, value-added producers and others within the sector. A primary focus of the Baltimore Food Hub's work will be wealth building for low-income, immigrant, and minority entrepreneurs and workforce candidates, and local job creation. The Baltimore Food Hub promotes local and regional foods in Baltimore City. We are growing the food innovation economy by offering entrepreneurs and food businesses resources to scale their mission."
- f. Additional information/future plans: "The Baltimore Food Hub is a physical development project East Baltimore that will transform a 3.5 acre site into a campus of facilities and programs focused on building the Baltimore food economy, workforce, and food access opportunities. The Hub will include a kitchen incubator, workforce facilities, shared office space, urban agriculture, and community gardens. First phase construction began in the fall of 2014 with development concluding at the end of 2015. The Hub is managed by an advisory board of project stakeholders with a development team including American Communities Trust, Historic East Baltimore Community Action Coalition, and others."

2. **Chesapeake Farm to Table** Sparks, Maryland

**Source of information: generated from Audrey Swanenberg, Chesapeake Farm to Table in 2015.*

- a. Hub Model: Privately held
 - b. Years in Operation: Less than 1
 - c. Customer Supply/Scale: Supplying 30 restaurants, sourcing from 20 small sustainable farms in Maryland.
 - d. Status
 - ✓ Operating
 - e. Mission/goals: "To help build more profitable sustainable small-scale agriculture in Maryland. We are a farmer-owned, cooperatively managed online marketplace for purchasing high-quality, local and sustainably grown produce. Our goal is to strengthen the local sustainable food movement by creating an easy system for buyers to "walk the talk" and truly buy locally."
 - f. Additional information/future plans: Looking to increase to working with institutions and a broader restaurant market. Currently working with UMD Extension, Future Harvest Chesapeake Alliance for Sustainable Agriculture.
3. **Chesapeake Harvest (Eastern Shore Food Hub)** Easton, Maryland
**Source of information: generated from the web and Tracy Ward, executive director, Easton Economic Development Corporation, Chesapeake Harvest, and Andy Andrews, Chesapeake Harvest in 2015.*
- a. Hub model: Maryland benefit LLC owned by a non profit
 - b. Years in operation: 0, planning for September 2015
 - c. Customer Supply/Scale: The food hub plans to serve wholesale, institutions (schools, hospitals, etc.), restaurants, hunger community, and retail (retail will be later in the process). Customers will be from a 200 mile foodshed. Plan to buy direct from Delmarva growers, farms in Maryland, and regional farms (surrounding states). First year sales estimated \$1.2 million.
 - d. Status:
 - ✓ Emerging
 - e. Additional information/future plans: The hub is working with Common Market, and is interested in working with other organizations across the state.
4. **Community FARE** Frederick, Maryland
**Source of information: generated from the website (<http://www.communityfare.org>) and directly from Janice Wells, Community FARE in 2015.*
- a. Hub model: Nonprofit
 - b. Years in operation: Expect to open in 2016
 - c. Customer supply/scale: Wholesale, institutions (schools, hospitals, etc.), restaurants, hunger community, and direct from farms in Maryland, and regional farms in surrounding states.
 - d. Status:

✓ Emerging

- f. Mission/goals: “To diversify, expand and safeguard the future of a healthy regional food supply by supporting the economic vitality of small farmers and promoting stewardship of the land, air and water.”
- g. Additional information/future plans: Working to raise funds to do a market study, feasibility for food hub in Frederick and business analysis in fall 2015. Community FARE will work to foster planning around local food access in Frederick City. Community FARE (DBA) is part of the Land and Cultural Preservation Fund, Inc. and is a sister organization to both Friends of Frederick County and Community Renewable Energy. Interested in working with other organizations to discuss possibilities like working with distributors and other regional food hubs such as Common Market.

5. **Howard County**

**Source of information: generated from the website in 2015*

(<https://rovingradish.com>) and from Kelly Dudeck, Howard County, in 2014.

- a. In 2014, the Roving Radish was a part of a broader food initiative unveiled by the Howard County Food Policy Task Force. The County was developing a comprehensive approach to nutrition and sustainability, which included the creation of a Food Hub where locally produced food can be prepared and distributed, and where entrepreneurs can work on food initiatives.

b. **The Roving Radish**

- a. Hub Model: Nonprofit
- b. Years in Operation: 2
- c. Customer supply/scale: Open to the general public and subsidized for low-income residents. Currently working with 6 Maryland farms.
- d. Status:
 - ✓ Operating
- e. Mission/goals: “Dedicated to promoting farm to table healthy eating habits to our community, while creating sustainable markets for our local and regional farms”.
- f. Additional information/future plans: The Roving Radish is Howard County’s initiative to bring fresh, affordable and healthy meals to county residents, and price assistance to families in need. The Roving Radish started in 2014 and continued through 2015. The Roving Radish is selling healthy meal kits, sourced from local and regional farms, to the community. The meal kits are made available to all Howard County residents, and are offered at a discounted price to those in need.

6. **Southern Maryland**

**Source of information: generated directly from Christine Bergmark, SMADC, Priscilla Wentworth, SMADC and Farming 4 Hunger, and Bernie Fowler, Jr., Farming 4 Hunger in 2015.*

a. **Agricultural Business Park and Food Innovation Center**

- a. Hub model: TBD
- b. Years in operation: Planned for 2016
- c. Customer supply/scale: Schools, hospitals, stores, restaurants. Suppliers are farmers located within the region. The Center will buy direct from regional farms.
- d. Status:
 - ✓ Emerging
- e. Mission/goals: The Center will increase the region's capacity to meet consumer demand for locally produced foods and create new jobs for the region. It will make it more efficient for farmers to aggregate and distribute local food, and help our farmers and food businesses gain better access to the DC-Baltimore metro region. The first key elements will be a meat processing facility and retail store to serve the region's multi-cultural community, with capacity for a distribution facility and commercial kitchen for start-up food innovation businesses using local produced food, and land for new farmer incubation. A centrally located center (or series of sites) will allow businesses to share assets, personnel, training, cross marketing, and more. The Center will incorporate living wage and green design as much as finances and resources permit.
- f. In addition to the key initial components, there are plans to add an outdoor/indoor farmers' market, depending on site location, and phase in other needed facilities.

b. **Hub and Spoke Program / Farming 4 Hunger:**

- a. Hub model: Nonprofit
- b. Years in operation: 3
- c. Customer supply/scale: The Hub and Spoke model seeks to increase access for fresh locally grown farm food to the hunger community and area's working poor in the five counties of Southern Maryland. The partnership between Farming 4 Hunger and the Southern Maryland Agricultural Development Commission (SMADC) has worked to build capacity for local farms and support the community by aggregating and distributing surplus and "extra" produce in a timely and efficient manner, and providing a financial incentive for farmers. Farming 4 Hunger, a nonprofit, distributes 1.6 million pounds of fresh, local produce to the hunger community each year. In 2014, 29 farms in Southern Maryland supplied produce that was placed in the hands of the needy within 24-48 hours.
- d. Status:

- ✓ Operating
- e. Mission/goals: The goal is to increase access to fresh food in communities of need, while supporting local farmers in Southern Maryland.
- f. Additional information/ future plans: 2013 Task Force Report: [The Task Force Study on the Implementation of a Hub and Spoke Program in Southern Maryland](#). [Proposed Maryland Tax Credit Incentive](#): A key component of the Hub and Spoke model is an economic incentive for farmers to donate food that would reimburse a portion of the harvest, packaging, and delivery costs. The Task Force recommended a state tax credit of 50% of wholesale value for eligible farm donations from conventional farms and a 75% tax credit for certified organic products. This was introduced to the Maryland legislature as a bill in 2014 and 2015 and has not passed to date. The bill is expected to be reintroduced in early 2016.

Additional Resources to the Maryland Local Food Supply Chain

**Note: the additional listings are not recognized as food hubs, but have a goal/program within their organization to source food from local farms. This listing does not include regional food distributors at this time.*

Maryland Food Center Authority (MFCA), Jessup, Maryland

- Model: Privately held business
- Status:
 - ✓ Operating
- Mission/goals: “As a geographically centralized distribution hub dedicated to food distribution, the Maryland Food Center maximizes the efficiency of the food industry and ensures Maryland's future food supply. The MFCA is dedicated to combining the very best in public and private efforts in planning and developing regional food industry facilities throughout Maryland.”

Maryland Food Bank Baltimore, Maryland

- Model: Nonprofit
- Years in operation: 36 years
- Status:
 - ✓ Operating
- Mission/goals: To lead the movement and nurture the belief that together we can improve the lives of Marylanders by ending hunger.
- Additional information: The Maryland Food Bank partners with local farms to grow and distribute fresh produce through their Farm to Foodbank program.

Maryland Wholesale Auctions

**Note: the additional listings are not recognized as food hubs, but have a goal/program within their organization to source food from local farms. This list is not comprehensive of all wholesale auctions.*

Cheltenham Cheltenham, MD

- Model: Wholesale auction
- Years in operation: 26
- Scale: wholesale produce auction for producer growers and buyers from MD and VA, open seasonally, auction system pricing.
- Status:
 - ✓ Operating as a wholesale distribution site

Loveville Produce Auction Loveville, MD

- Model: Wholesale auction
- Years in operation: 9 years
- Scale: Wholesale produce auction for producer growers and buyers from MD and VA, open seasonally, auction system pricing.
- Status:
 - ✓ Operating as a wholesale distribution site

Contact Information

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Howard County, Roving Radish

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Southern Maryland

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For more information about this report:

The Southern Maryland Agricultural Development Commission (SMADC) is committed to: a) a market-driven and sustainable farming future as Maryland transitions away from tobacco. b) a Maryland where farmland preservation, and environmental stewardship positively impact the quality of our air and water and c) cultivating awareness among consumers and leaders of the vital role our farms play in a balanced community, safe, nutritious food and a cleaner and healthier environment. To learn more about additional programs and resources, contact SMADC, P. O. Box 745, Hughesville, MD 20637; phone: 301-274-1922, Ex. 1, fax: 301-274-1924; email cbergmark@smadc.com; or visit www.smadc.com.

STIMULATING
SUPERMARKET
DEVELOPMENT
IN MARYLAND

*A report of the
Maryland Fresh Food Retail
Task Force*

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Phil Hanlon, President and COO

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Dr. Donald Schell, Director, Center
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Maryland Department of Housing and Community Development

Carol Gilbert, Assistant Secretary
of Neighborhood Revitalization

Maryland Department of Human Resources

Vince Kilduff, Deputy Executive
Director, Family Investment
Administration

Maryland Department of Planning

Dan Rosen, Resource Conservation
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Maryland Department of Transportation

Pat Keller, Deputy Chief
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Maryland Food Bank

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Mike Pastore, President

Pittman's Grocery

David Pittman, Owner

PNC Bank

Franklin McNeil, Community
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Manager

Prince George's County Economic Development Corporation

Larry Hentz, Business Development
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Safeway Inc.

Greg Ten Eyck, Director of Public
Affairs and Government Relations
(Task force co-chair)

Santoni's Super Market

Rob Santoni, Owner

Saubel's Markets

Greg Saubel, President

Supervalu

Tim Parks, Area Sales Director,
Eastern Region

The Association of Baltimore Area Grantmakers

Kurt Sommer, Director, Baltimore
Integration Partnership

The Reinvestment Fund

Dana Johnson, Baltimore Market
Leader

United Way of Central Maryland

Sandy Monck, Chief Impact Officer

Wakefern

Lisa Antoniewicz, Senior Real
Estate Representative

Maryland Fresh Food Retail Task Force

Dear Neighbors,

As co-chairs of the Maryland Fresh Food Retail Task Force, we are honored to present this report outlining our task force's policy recommendations for developing healthy, affordable food retail in underserved communities throughout Maryland.

Despite being one of the wealthiest states in the nation, Maryland is home to many communities with too few supermarkets. Nearly 1.2 million Maryland residents, including approximately 300,000 children, live in lower-income communities underserved by supermarkets. Each year, Maryland spends an estimated \$1.5 billion treating obesity-related diseases. A significant and growing body of research has found that people with convenient access to a grocery store or supermarket eat more fruits and vegetables and are more likely to maintain a healthy weight.

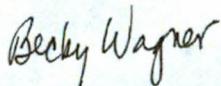
Every community deserves to have convenient access to healthy, affordable food. While supermarkets are not the only answer for promoting healthy eating, they provide the greatest variety of healthy, affordable food for residents while creating jobs and spurring economic development.

A task force of nearly 45 experts representing leadership from government, public health, grocery retail, civic and community and economic development organizations met to explore barriers to supermarket and grocery store development in neighborhoods that lack access to nutritious foods. As a group we identified 10 policy recommendations to advocate for change at both the state and local levels. We are thankful for the dedicated energy of this group, which blended a variety of perspectives to create realistic and effective solutions. We also would like to extend our gratitude to the Robert Wood Johnson Foundation for their support and to The Food Trust for helping to convene the task force.

The recommendations require changes but are built on the work that officials from Maryland and the City of Baltimore have begun. For instance, the Baltimore City Health Department is already working with a local grocer to provide a grocery delivery service to residents living in neighborhoods lacking access to fresh and healthy food retail. Meanwhile, the Maryland Department of Housing and Community Development's Neighborhood BusinessWorks program is designed to provide gap financing to new or expanding small businesses, such as grocery stores, and nonprofits in qualifying communities around the state to promote investment in commercial districts or town centers and revitalize communities.

Implementing the recommendations outlined in this report will require committed, broad-based leadership to build new and renovate and expand existing grocery stores and other fresh food retail in Maryland. We deeply appreciate the hard work and commitment of the Maryland Fresh Food Retail Task Force members as well as the support from the State of Maryland. Together, we can make healthy, affordable food available for all children and families in Maryland.

Sincerely,



Becky Wagner, Co-chair
Executive Director, Advocates for Children and Youth



Greg Ten Eyck, Co-chair
Director of Public Affairs and Government Relations, Safeway Inc.

INTRODUCTION

Too many Marylanders lack sufficient access to healthy, affordable food. Despite being one of the wealthiest states in the nation, Maryland is home to many communities with too few supermarkets, grocery stores and other retailers of healthy food, such as co-ops, farmers' markets and mobile markets.

These recommendations call upon state and local governments to prioritize grocery store, supermarket and other healthy food retail development in underserved communities.

In Maryland, limited access to nutritious food is a statewide issue that affects urban neighborhoods in cities such as Baltimore and counties such as Prince George's as well as rural communities in areas like western Maryland and the Eastern Shore. The resulting lack of access to healthy, affordable food undermines the health and well-being of children and families. A significant and growing body of research has found that people with convenient access to a grocery store or supermarket eat more fruits and vegetables and are more likely to maintain a healthy weight. Research also indicates that people who live in communities without a supermarket suffer from disproportionately high rates of obesity, diabetes and other diet-related

health problems. A recent study has shown that over 30 percent of children ages 2 to 5 from low-income families in Maryland are overweight or obese, while the obesity rate for adults in Maryland has nearly doubled over the last 15 years, growing from 15 percent in 1995 to 27 percent in 2010. Each year, Maryland spends an estimated \$1.5 billion treating obesity-related diseases. If body mass indices (BMIs)—a useful measure of overweight and obesity—were lowered by 5 percent, Maryland could save \$13.8 billion by 2030.

To address these concerns, The Food Trust, a nationally recognized nonprofit organization, issued *Food for Every Child: The Need for More Supermarkets in Maryland* in December 2011. Using mapping technology to identify underserved communities across the state, *Food for Every Child* highlights the gaps in food availability and the relationship between supermarket access, diet-related diseases and neighborhood income levels. The report led to a special convening of key food access stakeholders, the Maryland Fresh Food Retail Task Force, to develop recommendations for increasing access to healthy, affordable foods for residents in underserved areas—both urban and rural—throughout the state.

The Maryland Fresh Food Retail Task Force was convened by Advocates for Children and Youth, the Maryland Retailers Association and The Food Trust. The task force is a cohort of leaders from the grocery industry, state and local governments, as well as the community and economic development, public health and civic sectors. Building upon the work of several Maryland organizations and agencies, the task force developed 10 recommendations for state and local public policies that will improve the availability of healthy, affordable food in underserved areas through the development of supermarkets and other healthy food stores.

These recommendations call upon state and local governments to prioritize grocery store, supermarket and other healthy food retail development in underserved communities. Providing Marylanders with greater access to healthy, affordable food will not only alleviate certain public health concerns, but also bring quality jobs. Supermarkets and grocery stores stimulate local economies and serve as economic anchors to lower-income areas, sparking complementary development and neighborhood revitalization in the areas that need it most.

Recognizing that there is no one-size-fits-all solution for communities in Maryland, the task force foresees food retail projects taking on myriad different forms, including new supermarket developments, the expansion or renovation of existing grocery stores and alternative models such as farmers' markets, healthy corner store projects, co-ops and mobile markets. These efforts can also support initiatives that expand the local food system and promote the sale of Maryland-grown foods.

The Maryland Fresh Food Retail Task Force recognizes that efforts to increase access to healthy, affordable food should fit with the state's greater economic development agenda. In today's challenging fiscal climate, the success of efforts to improve healthy food access will depend on coordinated action from state government agencies, community development organizations, charitable foundations, the supermarket industry and others.

The Maryland Fresh Food Retail Task Force members and The Food Trust are committed to working with state and local governments to implement these 10 policy recommendations for children and families in Maryland who deserve the opportunity to lead healthier lives.

A recent study has shown that over 30 percent of children ages 2 to 5 from low-income families in Maryland are overweight or obese.

SUMMARY OF RECOMMENDATIONS

We, the Maryland Fresh Food Retail Task Force—a public-private partnership of leaders from the grocery industry, state and local governments, as well as the community and economic development, public health and civic sectors—call upon Maryland to prioritize grocery store, supermarket and other healthy food retail access for underserved families and communities. The following recommendations describe critical steps toward achieving that goal:

- 1 The State of Maryland and local governments should market economic development programs, best practices and public incentives to the grocery retail industry in identified high-need areas.
- 2 The State of Maryland should develop a new or expand an existing flexible business financing program that provides grants and loans to support the development, renovation and expansion of grocery stores and other stores that carry or would want to carry healthy foods in underserved communities. This program could be leveraged with additional private investment.
- 3 Local governments and the State of Maryland, as appropriate, should provide assistance with the land assembly process and building reuse in identified high-need areas where local support exists for grocery store and other healthy food retail development.
- 4 The State of Maryland and local governments should work with grocers and other healthy food retailers to navigate the development review process and explore ways to reduce costs and regulatory barriers in the expansion or creation of healthy food retail stores in high-need areas. Such efforts should complement existing efforts provided by the state. The development of a single point of contact and a clearinghouse of information may be useful to such marketing efforts.
- 5 The State of Maryland and local governments, in partnership with grocery store and other healthy food retail operators, should work with regional transportation agencies and private carriers to develop safe, affordable and convenient transportation for shoppers who do not have access to a supermarket, grocery store or other healthy food retail. Additionally, state and local governments should investigate the development of emerging grocery delivery models to meet the needs of their residents.
- 6 The State of Maryland, nonprofit organizations, grocery retailers and anti-hunger advocates should work to maximize participation and benefit amounts in Supplemental Nutrition Assistance Program (SNAP) and Special Supplemental Nutrition Program for Women, Infants and Children (WIC) participation and benefit amounts through targeted outreach, effective partnerships and utilization of state options. These efforts should complement the existing efforts being carried out by the Partnership to End Childhood Hunger and other groups in Maryland.
- 7 The State of Maryland should develop a new distribution schedule for SNAP that disburses benefits over a longer period of time and more evenly throughout the month. This should be a collaborative effort to help provide funding for changes to the system and proper notification to beneficiaries.
- 8 The State of Maryland and local governments should partner with commercial and retail security, police departments and community efforts to ensure a safe and secure environment for both customers and store personnel.
- 9 The State of Maryland and local governments, in partnership with groups such as local workforce investment boards, nonprofit organizations and community colleges, should create new and expand existing training programs to ensure there is a quality workforce for supermarkets and grocery stores and that such a workforce is drawn from local neighborhoods.
- 10 Working groups of task force members from the grocery industry, state and local governments and the community and economic development, public health and civic sectors should guide the implementation of these recommendations to support improvements in public health, economic development, community sustainability, food insecurity, neighborhood revitalization and social equity.

RECOMMENDATION 1:

The State of Maryland and local governments should market economic development programs, best practices and public incentives to the grocery retail industry in identified high-need areas.

The food retail industry needs public sector support to overcome the high costs of development, particularly in urban areas. Existing economic development and financing programs are often not available to food retailers or grocers are not aware of how to access these resources. Business tools, such as sales tax abatements on equipment purchases, property tax abatements, tax exempt financing bonds and low-cost financing, can encourage supermarkets to invest in underserved areas. At present, these tools are brought to bear on other forms of real estate development, such as housing developments. However, they also can be applied to the grocery industry. Cities and states across the country have successfully used existing incentive programs to attract supermarkets and healthy food retailers to underserved communities.

Success Stories

Washington, D.C.: The D.C. Department of Planning and Economic Development approved the Tax Exemption Act in 2000. This act was part of a citywide supermarket attraction and retention effort, which has resulted in several new store openings and expansions in targeted areas throughout the city. In addition to benefiting from the tax exemption, new developments received additional incentives from the city, including funds from the federal Community Development Block Grant (CDBG) program.

Kentucky: In Louisville, a combination of city loans, federal grants and tax credit financing helped to bring First Choice Market to the Park DuValle neighborhood in southwest Louisville. The \$4.4 million project included a \$3.2 million loan from the city, funded with CDBG-R (stimulus) funds, two \$100,000 city loans, \$35,000 for infrastructure improvements from a local councilmember and a nearly \$1.2 million New Markets Tax Credit equity commitment by local banks. An independently operated grocery store, First Choice Market, opened in 2012, creating more than 150 construction jobs and 40 permanent jobs and

bringing fresh fruits and vegetables to a neighborhood that had been without a full-service supermarket for over a decade, a key priority in the city's redevelopment plan.

While these successes speak to the potential for public incentives to encourage supermarket and other healthy food retail development, a comprehensive program is needed to stimulate such development in communities throughout Maryland.

RECOMMENDATION 2:

The State of Maryland should develop a new or expand an existing flexible business financing program that provides grants and loans to support the development, renovation and expansion of grocery stores and other stores that carry or would want to carry healthy foods in underserved communities. This program could be leveraged with additional private investment.

The State of Maryland should dedicate funds—in the form of grants and loans—to stimulate the development, renovation and expansion of grocery stores, supermarkets and other healthy food retail in underserved communities, support workforce training, offset development and construction costs and fund soft costs, including feasibility and market studies.



Success Stories

Pennsylvania: In 2004, Pennsylvania created the nation's first statewide program to address the lack of fresh food availability in its communities: the Pennsylvania Fresh Food Financing Initiative (FFFI). The Reinvestment Fund, a CDFI, used the state's \$30 million capital to leverage an additional \$146 million in other sources of public and private capital. The Food Trust partnered with The Reinvestment Fund to co-administer the initiative. Since its launch, the initiative has approved nearly 90 new and expanded fresh food retail projects across the state for funding. The Fresh Food Financing Initiative has created or retained over 5,000 jobs and increased access to healthy food for

an estimated 500,000 people. The success of FFFI in Pennsylvania influenced the creation and design of similar initiatives in New York, New Orleans, California, New Jersey and Illinois.

Louisiana: Along the Gulf Coast, the flooding and damage caused by Hurricane Katrina in 2005 resulted in the closure of many supermarkets. In New Orleans, the availability of fresh produce was already limited prior to the storm, and the situation deteriorated afterwards. Without convenient access to a nearby supermarket, many residents relied on convenience stores that carried little, if any, fresh produce. In 2011, the City of New Orleans launched

the Fresh Food Retailer Initiative (FFRI), seeded with \$7 million dollars of Disaster Community Development Block Grants (D-CDBG). Hope Enterprise Corporation (HOPE) and The Food Trust were contracted by the city to manage the program. HOPE has matched the city's pledge, creating a \$14 million financing platform for FFRI to assist healthy food retailers. Since the launch, the program has funded a new small grocery, DaFresh Seafood and Produce Store, and the planned 2013 re-opening of the iconic Circle Food Store.

See appendix for additional information on fresh food financing programs around the country.

RECOMMENDATION 3:

Local governments and the State of Maryland, as appropriate, should provide assistance with the land assembly process and building reuse in identified high-need areas where local support exists for grocery store and other healthy food retail development.

Supermarket operators and developers often have difficulty identifying and assembling adequate sites for developing supermarkets in and near areas where they are needed most. Maryland should give priority to acquiring, assembling and conveying land for new supermarket and grocery store development. In addition, local governments should offer density bonuses or other preferences in their zoning codes for projects that include a supermarket, grocery store or other retailer carrying healthy foods.

Success Stories

Florida: St. Petersburg assisted in assembling 32 parcels of land to develop the Tangerine Plaza shopping center in an economically distressed area. This 47,000-square-foot neighborhood shopping center is anchored by Sweetbay Supermarket, the first full-service grocery store and pharmacy in the neighborhood. The city bought the land, cleared the liens and other encumbrances against the properties and rezoned the site for neighborhood commercial development. Once the land was ready for construction, the city leased the property to the developer for 99 years for an annual payment of \$5. Since opening its doors, the Sweetbay Supermarket in Midtown has set sales records for the Florida-based company. In addition, the property tax revenue for the city increased from \$6,000 per year to more than \$110,000.



RECOMMENDATION 4:

The State of Maryland and local governments should work with grocers and other healthy food retailers to navigate the development review process and explore ways to reduce costs and regulatory barriers in the expansion or creation of healthy food retail stores in high-need areas. Such efforts should complement existing efforts provided by the state. The development of a single point of contact and a clearinghouse of information may be useful to such marketing efforts.

State and local government approval processes can add several years and substantial cost to a grocery store or supermarket project in an underserved area, but there are ways to streamline these obstacles for supermarket operators. Government can show preference to development it hopes to encourage by expediting approval processes, thereby reducing project costs. Designating a single point of contact for interacting with government would help grocery store and supermarket operators navigate the complex process of developing stores in underserved communities. Additionally, an online clearinghouse of information would help grocers and developers locate needed information more quickly. Codes should be reviewed and amended to reduce the length of time it takes to develop a supermarket or other healthy food retail store. Such efforts should work to complement or enhance existing state programs such as Maryland Made Easy, which works to improve Maryland's business environment by streamlining processes and simplifying regulations.

Success Stories

Illinois: In Chicago, the city has addressed healthy food retail needs in its communities by making the development process for retailers more streamlined and less burdensome. The city has designated a single agency, called Shop Chicago, to address the multiple concerns of potential retailers and to coordinate the development process for projects. Shop Chicago's programs simplify the approval process, identify measures to facilitate land assembly and provide customized market information on specific development opportunities and communities, among many other proactive measures. As a result, the Shop Chicago program has successfully attracted new grocery stores to underserved neighborhoods.

California: The Community Redevelopment Agency of the City of Los Angeles (CRA/LA) developed an incentive package to attract new food retailers to South Los Angeles neighborhoods that were underserved by grocery retailers. Anticipating some of the regulatory hurdles for grocery store developments, the Los Angeles City Planning Department and Department of Building Services worked with CRA/LA to assist grocery operators in securing financial products to support their new projects. Since its inception, the program has been successful in attracting new grocers to the Los Angeles area.

RECOMMENDATION 5:

The State of Maryland and local governments, in partnership with grocery store and other healthy food retail operators, should work with regional transportation agencies and private carriers to develop safe, affordable and convenient transportation for shoppers who do not have access to a supermarket, grocery store or other healthy food retail. Additionally, state and local governments should investigate the development of emerging grocery delivery models to meet the needs of their residents.

Good transportation policy should support transit for area residents to nearby grocery stores and should encourage the development of new stores along existing transportation routes. Lower-income households are less likely than other households to own a car and less likely to live in a neighborhood with a supermarket. Many lower-income families, as well as the elderly, disabled and other consumers dependent on public transit, have to take multiple bus rides to access the nearest supermarket. Lack of convenient and affordable transportation makes it difficult for these shoppers to purchase fresh, healthy foods. A transportation needs assessment should be conducted to explore transportation barriers in neighborhoods that lack a full-service grocery store. Also, new options to help bring grocery store purchases to residents should also be explored.

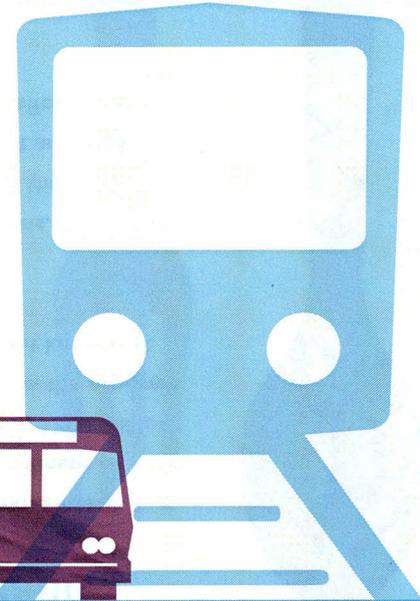
Success Stories

Connecticut: In Hartford, the L-Tower Avenue bus route plays an important role in increasing access to major supermarkets for transit-dependent residents. Designed as part of the Jobs Access program to link lower-income residents with jobs, shopping and medical services, the L-Tower Avenue bus route saw its ridership double after a year, with grocery shopping cited as the primary reason to take the bus by one-third of its riders.

Wisconsin: The Madison Metro Public Transit “Ride Guide” includes routes to 20 area grocery stores among other popular destinations and has an arrangement with at least one grocer to drop off and pick up customers right at the door.

Maryland: Developed in 2010, the Virtual Supermarket Program (VSP) uses an online grocery ordering and delivery system to bring food to neighborhoods with low-vehicle ownership and inadequate access to healthy food. It enables residents to place grocery orders from anywhere with internet access and pick up the order at

a local community site such as senior, disabled or public housing or the local library without a delivery fee. Residents can pay for their groceries using cash, credit, debit and SNAP. At senior buildings and public housing sites, fellow residents help neighbors who are not comfortable using the internet to place their online orders. The VSP increases access to healthy, affordable groceries and saves residents money and time. The VSP is currently the only online food ordering program in the nation that accepts SNAP.



RECOMMENDATION 6:

The State of Maryland, nonprofit organizations, grocery retailers and anti-hunger advocates should work to maximize participation and benefit amounts in Supplemental Nutrition Assistance Program (SNAP) and Special Supplemental Nutrition Program for Women, Infants and Children (WIC) through targeted outreach, effective partnerships and utilization of state options. These efforts should complement the existing efforts being carried out by the Partnership to End Childhood Hunger and other groups in Maryland.

Increasing enrollment in the SNAP and WIC programs is an important part of increasing the buying power of economically distressed communities, thereby increasing the projected long-term success of grocery stores entering these neighborhoods. According to the United States Department of Agriculture, every \$5 in new SNAP benefits generates \$9 in total community spending. According to the Food Research and Action Center, \$200 million in SNAP benefits go unclaimed in Maryland annually and over 300,000 Marylanders who are eligible for SNAP benefits do not participate in the program. Studies note the primary reason that SNAP, WIC and other wellness support programs are underutilized is because eligible residents do not know that they are eligible for these programs.

The State of Maryland, through its Partnership to End Childhood Hunger and through civic organizations such as Maryland Hunger Solutions, is already taking steps to improve program accessibility and delivery by increasing the visibility of these programs and helping to streamline the administrative processes tied to SNAP and WIC participation. Key stakeholders involved in improving SNAP and WIC participation, benefit amounts and benefit delivery should work with already existing efforts sponsored by the state and others. This will allow better access to healthy, affordable food for children and families in need.

Success Stories

Ohio: Ohio developed an integrated, effective system for SNAP outreach, enrollment and maintenance that informs residents about the benefits of the program.

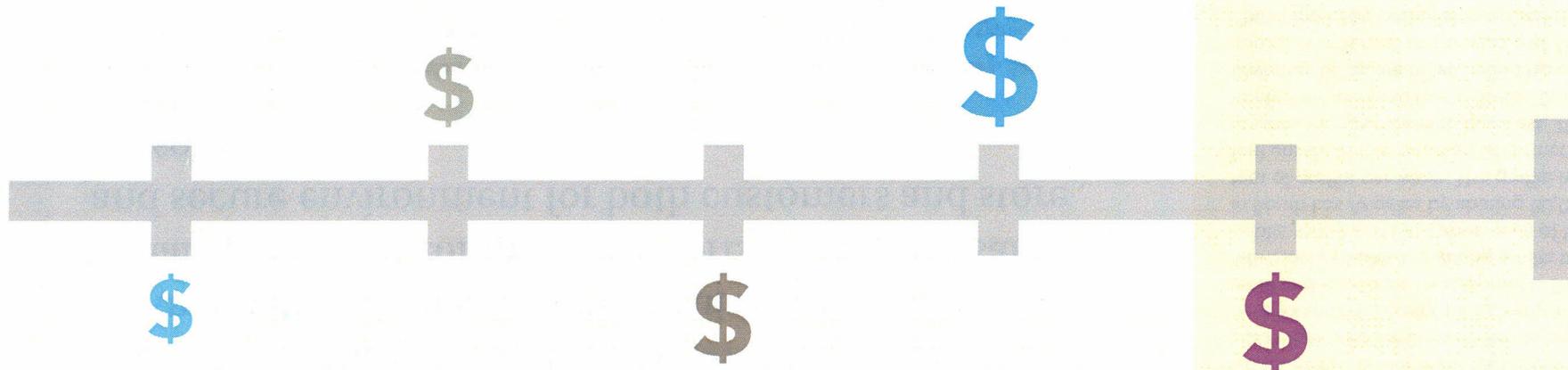
One component they used for outreach and enrollment was The Ohio Benefit Bank, an Internet-based, counselor-assisted service that connects lower- and moderate-income families to tax credits and work supports, including SNAP benefits. The program was

implemented through a public-private partnership of over 1,100 faith-based, nonprofit, government and private organizations.

RECOMMENDATION 7:

The State of Maryland should develop a new distribution schedule for SNAP that disburses benefits over a longer period of time and more evenly throughout the month. This should be a collaborative effort to help provide funding for changes to the system and proper notification to beneficiaries.

When SNAP benefits are dispersed unevenly throughout the month, food retail stores experience a surge of business at the time of distribution—often at the beginning of the month—that produce myriad unintended consequences, including long lines at checkout, overcrowding, issues with adequate product supply and staffing difficulties. All of these factors can make it more difficult for the poorest consumers to conveniently access high-quality fresh fruits and vegetables. These challenges make some retailers hesitant to operate in communities with heavy SNAP participation. Smoother distribution schedules for SNAP benefits in Maryland will help ensure that fresh foods are available throughout the month and that grocery stores can properly serve consumers in areas with high SNAP sales.



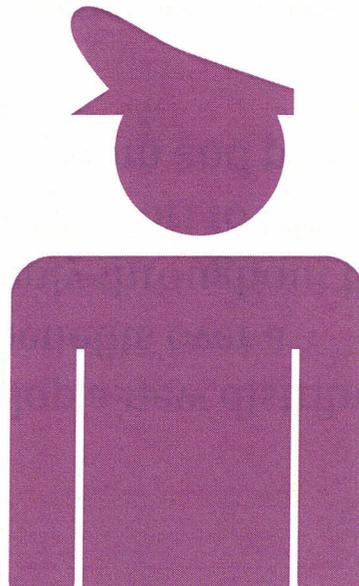
Success Stories

Illinois: In 2010, Voices for Illinois Children, the Illinois Retail Merchants Association and the Illinois Food Retailers Association advocated for the Illinois Department of Human Services to add three additional dates to the SNAP distribution schedule. Prior to 2010, 70 percent of SNAP recipients received their benefits on the first day of the month; the remaining 30 percent of benefit issuances were staggered throughout the month. Because of this schedule, grocery operators had difficulty adequately stocking their stores, which were flooded with shoppers at the beginning of the month. Providing adequate hours for their employees was also an issue since they needed them at the beginning of the month to manage the high demand but not as much toward the end of the month when the demand was significantly reduced. As a result of this change to the distribution schedule, grocers reported an improvement in the distribution of store traffic throughout the month.

RECOMMENDATION 8:

The State of Maryland and local governments should partner with commercial and retail security, police departments and community efforts to ensure a safe and secure environment for both customers and store personnel.

Lack of security can be a major problem for supermarket operators in underserved communities. Stores find it financially difficult to locate and do business in areas with high rates of theft and other types of crime. Security concerns, real or perceived, also discourage customers from walking to a neighborhood store and possibly from shopping there altogether. Maryland and its local governments need to prioritize and ensure a safe environment at and around grocery stores and other healthy food retailers, which are critical establishments in the community.



Success Stories

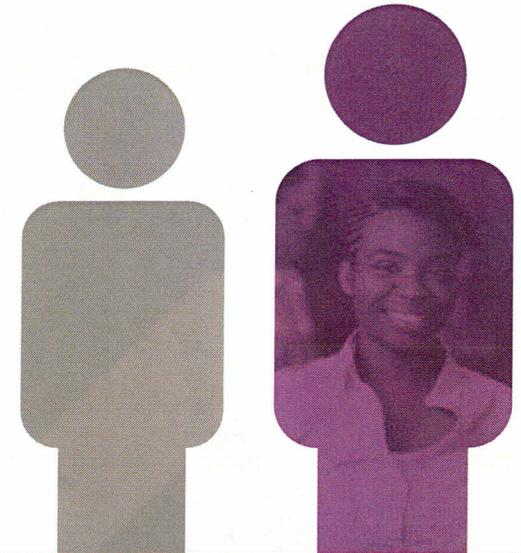
California: The Coalition for Responsible Community Development partnered with the Los Angeles Police Department to promote neighborhood security, particularly in regard to retail and economic development. The organization hired local youths and young adults to improve public safety and the appearance of local streets in South Los Angeles by abating 80,000 square feet of graffiti per week. The graffiti made people feel unsafe in this commercial district and provided reasons for businesses to disinvest. The graffiti abatement crews follow a 30- to 50-mile daily route covering 12 square miles, including commercial corridors with high crime rates and 55 known gangs. The community partnership served to tackle difficult economic and social problems resulting in an increased perception of safety in the neighborhood and the creation of a better retail business environment. Similar types of linkages between police enforcement and commercial/retail partners can have the effect of providing safer communities surrounding grocery store development.



RECOMMENDATION 9:

The State of Maryland and local governments, in partnership with groups such as local workforce investment boards, nonprofit organizations and community colleges, should create new and expand existing training programs to ensure there is a quality workforce for supermarkets and grocery stores and that such a workforce is drawn from local neighborhoods.

The grocery industry cites the lack of an available workforce as a barrier to developing supermarkets and grocery stores. Often it is difficult to find candidates who have had suitable job training for specialized needs such as produce and meat handling. Industry leaders are cognizant of the value of their labor force and the need to educate that workforce to address issues of shrinkage, best practices, effective customer service techniques and employees' rights and obligations. New and existing programs should ensure that a quality workforce is available for grocery store retailing once a store opens in a community.



Success Stories

Ohio: A \$1,300 matching grant from Project TEN (Train Employees Now) allowed Ben Fligner to train employees for his grocery store in Lorain, Ohio. Unveiled in 2007, Project TEN is the result of an effort by Lorain County to leverage workforce development monies distributed by the state. The matching grant made it possible for Fligner to send five employees to an Ohio Department of Agriculture training program which certified the workers in meat handling. This provided the needed workforce training to complement

Fligner's recent expansion from a 12,000-square-foot operation to a 32,000-square-foot one that includes a new full-service meat counter. The grocery store also was able to establish a wholesale meat business and a catering department. The supermarket, which used to employ 32 workers, is now able to support a staff of 90.

Pennsylvania: Through grant and loan assistance from the Pennsylvania Fresh Food Financing Initiative, Brown's ShopRite of Island Avenue was able to open in Philadelphia's underserved Eastwick community. The

57,000-square-foot supermarket has brought healthy food and 258 quality jobs to the area. Funding from the initiative paid for a local workforce development agency to develop a customized training program for the Island Avenue ShopRite and five other stores. This program improves employee retention and helps employees advance in their careers—setting employees on the path for long-term success within the grocery industry. Most of the employees are residents of the surrounding community, which is predominantly African American and West African.

RECOMMENDATION 10:

Working groups of task force members from the grocery industry, state and local governments and the community and economic development, public health and civic sectors should guide the implementation of these recommendations to support improvements in public health, economic development, community sustainability, food insecurity, neighborhood revitalization and social equity.

The active participation of public-private leadership from the grocery industry, state and local governments, as well as the community and economic development, public health and civic sectors has been essential to the successful redevelopment of supermarkets and other healthy, affordable food retail across the country.



Success Stories

Louisiana: In 2008, the New Orleans Food Policy Advisory Committee (FPAC), a task force convened by The Food Trust and The Prevention Research Center at Tulane University, which included public health, economic development and supermarket industry leaders, developed 10 policy recommendations addressing ways that the city and state could support

increasing supermarket and other fresh food retail development in underserved communities. At the conclusion of FPAC proceedings, key members continued to work for the implementation of recommendations. One proposal called for the development of a financing program for supermarkets and led to the creation of the Fresh Food Retailer Initiative, which provides direct financial assistance to grocery retail businesses by awarding forgivable and/or

interest-bearing loans to supermarkets, grocery stores and other fresh food retailers. The city has provided \$7 million in Disaster Community Development Block Grant funds toward the program, which will be matched by local Community Development Financial Institution Hope Enterprise Corporation.

CONCLUSION

Providing better access to healthy, affordable food is an important strategy to reduce and prevent obesity and improve residents' health. Having more supermarkets and stores that sell nutritious options in underserved areas will ensure that residents of Maryland can purchase healthy food for their families. Efforts to improve food access in the state will create needed jobs and economic opportunity for Marylanders as well as help revitalize struggling neighborhoods.

The 10 recommendations developed by the Maryland Fresh Food Retail Task Force are achievable steps toward creating healthier communities in Maryland. By working together, we can improve the health of our children and increase their ability to lead active lives.

The Maryland Fresh Food Retail Task Force encourages state and local leaders to expedite the implementation of these recommendations. The result will be economic development, strong communities and better health for the people of Maryland.

Providing better access to healthy, affordable food is an important strategy to reduce and prevent obesity and improve residents' health.

APPENDIX: HEALTHY FOOD FINANCING PROGRAMS

LOCATION	NAME OF PROGRAM	PROGRAM ADMINISTRATORS	FUNDING SOURCES	TYPES OF FINANCING
PA	Pennsylvania Fresh Food Financing Initiative www.trfund.com/financing/Healthy_food/FreshFoodFinancing.html	PA Department of Community and Economic Development, The Food Trust, The Reinvestment Fund and the Urban Affairs Coalition	State commitment: \$30 million. Seeded with \$30 million from the state's Department of Community and Economic Development. Matched with \$146 million in additional public and private investment.	Loans: Maximum loan amount subject to TRF's current lending exposure policies. Grants: Up to \$250,000 per store and \$750,000 in total for one operator. Extraordinary grants of up to \$1 million were made available for projects with high potential for serving areas of extreme need.
NY	New York Healthy Food & Healthy Communities Fund www.liifund.org/nyhealthyfood	NY Empire State Development Corporation, Low Income Investment Fund (LIIF), The Reinvestment Fund and The Food Trust	State commitment: \$10 million. Seeded with \$10 million from the state's Empire State Development Corporation. Matched with a \$20 million commitment from The Goldman Sachs Group, Inc. LIIF also received a \$3 million national Healthy Food Financing Initiative award in 2011.	Loans: Range in size from \$250,000 to \$5 million or larger for New Markets Tax Credit transactions. Grants: Range in size from \$5,000 to \$500,000 for capital grants and \$5,000 to \$200,000 for predevelopment grants.
LA	New Orleans Fresh Food Retailer Initiative www.hope-ec.org/index.php/new-orleans-fresh-food-retailer-initiative	City of New Orleans, Hope Enterprise Corporation and The Food Trust	Federal and private funding. Seeded with \$7 million in Disaster Community Development Block Grant funds. Matched 1:1 with HOPE investment.	Loans: Not to exceed \$1 million. Forgivable Loans: Up to \$500,000 or 20% of total financing needs.
NJ	New Jersey Food Access Initiative www.trfund.com/financing/Healthy_food/NJ_HealthyFoodRetailInitiative.pdf	NJ Economic Development Authority (NJEDA) and The Reinvestment Fund	State commitment: \$4 million. To date, financial partners include: NJ Economic Development Authority (\$4 million), Living Cities (\$2 million credit), and the Robert Wood Johnson Foundation (\$10 million program-related investment). TRF also received a \$3 million national Healthy Food Financing Initiative award in 2011.	Loans: Range in size from \$200,000 to \$4.5 million or larger for New Markets Tax Credit transactions. Grants: In some cases, loans may be paired with a predevelopment or capital grant, which range in size from \$5,000 to \$125,000. Recoverable Grants: Early-stage financing with no-interest loans, typically repaid by construction financing.
CA	California FreshWorks Fund www.cafreshworks.com	The California Endowment, NCB Capital Impact, Emerging Markets	Foundation and other private funding: To date, approximately \$264 million raised from a variety of investors: The California Endowment, NCB Capital Impact, JPMorgan Chase, Morgan Stanley, US Bank, Calvert Foundation, Dignity Health, Kaiser Permanente, Bank of America, Citibank, Charles Schwab, Met Life and Opportunity Finance Network.	Loans: Up to \$8 million. Grants: Up to \$50,000.
IL	Illinois Fresh Food Fund www.iff.org/illinois-food	IL Department of Commerce and Economic Opportunity and IFF	State commitment: \$10 million. Seeded with a \$10 million grant from the IL Department of Commerce and Economic Opportunity. IFF has committed to matching the state dollars 3:1. Additionally, \$3 million in funding has been secured by IFF through the national Healthy Food Financing Initiative.	Loans: Typical loans range from \$250,000 to \$1 million. Grants: Grants are only available to those who are also applying for a loan. The grant amount can be up to 10% of the loan amount, not to exceed \$100,000.
National	Healthy Food Financing Initiative www.acf.hhs.gov/programs/ocs/programs/community-economic-development/healthy-food-financing	US Departments of Treasury, Agriculture, and Health and Human Services	Federal funding: To date, the US Department of Treasury (CDFI Fund) has allocated \$47 million and the US Department of Health and Human Services (Office of Community Services) has allocated \$20 million.	Financing packages vary. HFFI dollars are given to Community Development Financial Institutions (CDFIs) and Community Development Corporations (CDCs) to disseminate to projects in their regions.

Selected Resources

Centers for Disease Control and Prevention – Overweight and Obesity <http://www.cdc.gov/obesity/index.html>

Center for Science in the Public Interest – Nutrition Policy http://www.cspinet.org/nutritionpolicy/nutrition_policy.html#eat

City of Baltimore – Baltimore City Food Policy Initiative <http://www.baltimorecity.gov/Government/Agencies/Departments/Planning/BaltimoreFoodPolicyInitiative.aspx>

City of Baltimore Health Department – The Virtual Supermarket Project <http://baltimorehealth.org/virtualsupermarket.html>

City of Chicago – Shop Chicago http://www.cityofchicago.org/city/en/depts/dcd/supp_info/shop_chicago.html

City of Louisville – Economic Growth and Innovation Newsroom <http://www.louisvilleky.gov/economicdevelopment/News/2012/FirstChoiceMarketOpensinParkDuValle.htm>

City of Philadelphia – Philadelphia Food Charter http://www.phila.gov/green/greenworks/equity_LocalFood.html

Community Food Security Coalition http://www.foodsecurity.org/policy_trans03_brief.html

Community Health and Food Access: Local Government Role <http://bookstore.icma.org/freedocs/E43398.pdf>

Community Redevelopment Agency of Los Angeles <http://www.crala.org/internet-site/About/index.cfm>

Illinois Food Retailer Association <http://www.ilfood.org/>

Maryland Department of Business and Economic Development – Maryland Made Easy Program <http://easy.maryland.gov/>

Maryland Department of Housing and Community Development – Neighborhood BusinessWorks Program <http://www.neighborhoodrevitalization.org/programs/nbw/nbw.aspx>

Maryland Hunger Solutions <http://www.mdhungersolutions.org/>

Partnership to End Childhood Hunger in Maryland <http://md.nokidhungry.org/>

Potluck, Sarah. (2012) "New Jersey's Fresh Food Initiative receives \$12 million to support underserved cities." *The Star-Ledger*. http://www.nj.com/business/index.ssf/2012/03/new_jersey_fresh_food_initiati.html

Pulse, Lorain County's Magazine (Fall 2008). Project Employee Training. <http://www.pulselorainmag.com>

The Food Trust – Food For Every Child: The Need for More Supermarkets in Maryland www.thefoodtrust.org/pdf/Maryland_mappingFINAL.pdf

The Food Trust – Supermarket Campaign in Louisiana <http://www.thefoodtrust.org/php/programs/supermarket-LA.php>

The Low Income Investment Fund – Healthy Food Healthy Communities Program <http://www.liifund.org/programs/healthy-food/>

The Reinvestment Fund – Pennsylvania Fresh Food Financing Initiative http://www.trfund.com/resource/downloads/Fresh_Food_Financing_Initiative_Comprehensive.pdf

Treuhart, S and Karpyn, A. (2010) *The Grocery Gap: Who Has Access to Healthy Food and Why it Matters*. Oakland, Ca: PolicyLink and The Food Trust http://www.policylink.org/site/c.lkIXLbMNjRE/b.5860321/k.89D7/The_Grocery_Gap_Who_Has_Access_to_Healthy_Food_and_Why_It_Matters.htm

United States Department of Agriculture, Food and Nutrition Services, Supplemental Nutrition Assistance Program (SNAP) <http://www.fns.usda.gov/snap/>

Uplift Solutions <http://www.upliftsolutions.org/>

ACKNOWLEDGMENTS

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Ensuring That Everyone Has Access To Affordable, Nutritious Food

The Food Trust, a nationally recognized nonprofit founded in Philadelphia in 1992, strives to make healthy food available to all. Research has shown that lack of access to healthy food has a profound impact on food choices and, therefore, a profound impact on health.

For 20 years, The Food Trust has worked with neighborhoods, schools, grocers, farmers and policymakers to develop a comprehensive approach to improving the health of America's children. The Food Trust's innovative initiatives integrate nutrition education with increased availability of affordable, healthy foods.

This approach has been shown to reduce the incidence of childhood overweight; a study in the journal *Pediatrics* found that the agency's School Nutrition Policy Initiative resulted in a 50 percent reduction in the incidence of overweight among Philadelphia school children.

The Food Trust is recognized as a regional and national leader in the prevention of childhood obesity and other diet-related diseases for this and other notable initiatives to increase food access in underserved neighborhoods, including the Healthy Corner Store Initiative and the Pennsylvania Fresh Food Financing Initiative, a public-private partnership which has approved funding for nearly 90 fresh food retail projects across Pennsylvania.

The Centers for Disease Control and Prevention honored the Fresh Food Financing Initiative in its Showcase of Innovative Policy and Environmental Strategies for Obesity Prevention and Control, and the program was named one of the Top 15 Innovations in American Government by Harvard University. For more information or to order additional copies of this report, visit thefoodtrust.org or contact The Food Trust.

For 20 years, The Food Trust has worked with neighborhoods, schools, grocers, farmers and policymakers to develop a comprehensive approach to improving the health of America's children.

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The Food Trust
THEFOODTRUST.ORG



The Food Trust
THEFOODTRUST.ORG

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NEIGHBORHOOD BUSINESSWORKS PROGRAM

Fact Sheet

PURPOSE OF THE PROGRAM

The Neighborhood BusinessWorks program provides a revitalization resource to help stimulate investment in Maryland's older communities. The Neighborhood BusinessWorks loans provide flexible gap financing to small businesses locating or expanding in locally designated neighborhood revitalization areas throughout the State.

ELIGIBLE APPLICANTS

- Maryland-based small businesses (small business as defined by the U.S. Small Business Administration)
- Nonprofit organizations whose activities contribute to a broader revitalization effort and whose projects are intended to promote investment in commercial districts or town centers

Note: Local governments are not eligible applicants

AMOUNT OF FINANCING AVAILABLE

- Loans up to \$500,000
- Each project assessed for financial need, up to 50 percent of total project cost (Refinancing will not be considered part of the project cost.)

ELIGIBLE PROJECTS

- Retail businesses, including franchises
 - Manufacturing businesses
 - Service-related businesses
 - Mixed-use projects, consisting of a commercial or retail use at street level and no more than 12 residential units.
- Note: Some restrictions apply (see the General Restrictions section).

ELIGIBLE USES OF FUNDS

- Market/planning/feasibility studies
- Real estate acquisition
- New construction or rehabilitation
- Leasehold improvements
- Machinery and equipment
- Working capital (when part of total project cost)
- Certain other costs associated with opening or expanding a small business

NOTES:

1. A Minority Business Enterprise Plan is required for those projects where Neighborhood BusinessWorks Program funds will exceed \$250,000 for construction or rehabilitation.
2. Construction projects are reviewed by this Department's offices of Maryland Historical Trust and Codes Administration prior to funding

LOAN TERMS

- Interest rate is below market, based on underwriter's analysis
- Loan term up to 15 years, depending on loan size and underwriting
- Minimum 5 percent applicant capital cash contribution is required (based on total project cost)
- Personal guarantees and collateral are required
- No prepayment penalties

GENERAL RESTRICTIONS

- Loan terms cannot exceed 15 years
- Loan proceeds must be used for projects located in Maryland
- A loan may not be used for the furtherance of sectarian or religious purposes or instruction



The Maryland Department of Housing and Community Development (DHCD) pledges to foster the letter and spirit of the law for achieving equal housing opportunity in Maryland

CRITERIA CONSIDERED

- Project viability and potential
- Impact of the project on its neighborhood
- Significant exterior improvements
- First floor commercial or retail space use which generates street level activity
- Improvements to a vacant/underutilized building or site
- Introduction of needed goods or services to a neighborhood
- Creation of new jobs
- Readiness to proceed

RESTRICTIONS & CONSIDERATIONS

Priority is given to projects that strengthen neighborhood commercial districts and are part of a greater revitalization strategy. The following types of projects and activities will not be considered for Neighborhood BusinessWorks financing:

- Speculative developments (All properties must be pre-leased for a minimum of 51% of the leasable space prior to loan closing.)
- Refinancing
- Residential or transient living facilities (other than mixed-use projects described in Eligible Projects section), e.g., multifamily or single-family housing developments, nursing homes, assisted living facilities, crisis care centers, group homes, transitional housing, and homeless shelters
- Facilities such as community halls, fire stations, hospitals, colleges, or universities
- Adult bookstores, adult video shops, other adult entertainment facilities, gambling facilities, gun shops, liquor stores, massage parlors, pawn shops, tanning salons, or tattoo parlors

APPLICATION

A complete NBW loan application consisting of the items on the Required Documentation Checklist in the application package must be submitted before a project can be fully processed. If the application for funds is approved, additional documentation will be necessary to close the loan.

FOR ADDITIONAL INFORMATION, PLEASE CONTACT

Michael J. Haloskey III
Director, Business Lending Programs
Phone: 301-429-7523 Email: michael.haloskey@maryland.gov
Maryland Department of Housing and Community Development
7800 Harkins Road, Lanham, MD 20706
Phone: 301-429-7517 Fax: 410-558-6527
<http://www.NeighborhoodBusinessWorksProgram>
MD Relay for the Deaf: 1-800-735-2258